

**BEYOND CHARISMA:
THE RISE OF HUMILITY AND
VULNERABILITY IN THE
NEXT GENERATION CEO**

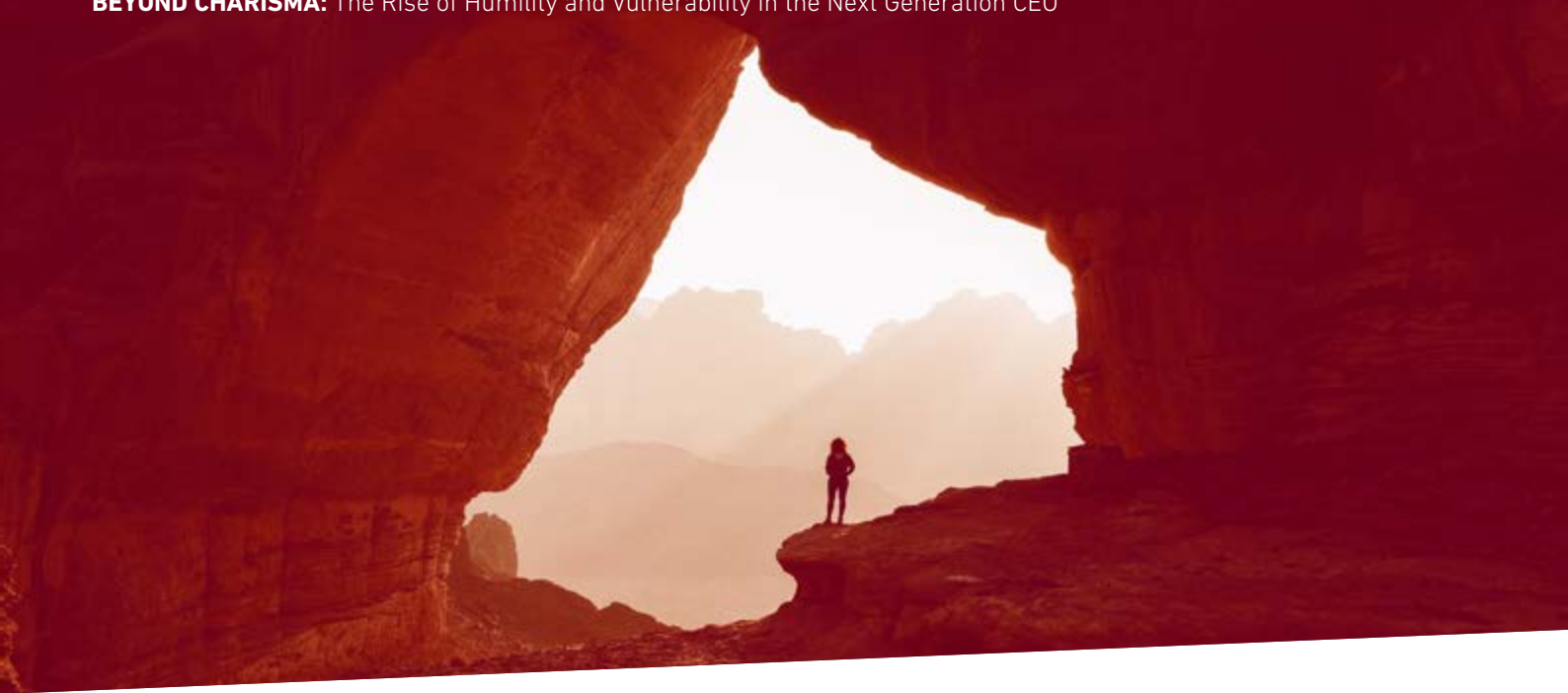
Humility and vulnerability in leadership are increasingly being heralded as crucial traits for modern leaders. This shift towards what is sometimes called “servant,” “supportive,” or “vulnerable” leadership has roots stretching back to the 1970s. The theory posits that in our current era of constant disruption, where CEOs and their teams face a myriad of new challenges, humble leadership can build trust, solicit better input, and promote engagement, thereby laying a more secure foundation for successful transformation. But is humble leadership truly practical in reality?

This is what we discussed at Savannah’s latest Boardroom Lunch with leading Chairs, CEOs and Investors from across the travel, leisure, digital and hospitality sectors.

The idea of humility and vulnerability as key leadership traits is somewhat counterintuitive given the traditional expectations placed on CEOs. These leaders are often seen as needing to be superhuman, able to create and communicate a compelling vision, align teams, overcome obstacles, drive growth through economic downturns, and manage shareholders, all while inspiring those around them. In the past and to some extent today, high-profile leaders like Steve Jobs and Elon Musk were/are often characterised by their strong opinions and magnetic personalities. Historically, humility has not been a celebrated trait in business leadership.

HIGH-PROFILE LEADERS LIKE **STEVE JOBS** AND **ELON MUSK** WERE/ARE OFTEN CHARACTERISED BY THEIR **STRONG OPINIONS** AND **MAGNETIC PERSONALITIES**. HISTORICALLY, HUMILITY HAS NOT BEEN A CELEBRATED TRAIT IN BUSINESS LEADERSHIP





Nonetheless, studies suggest that humble leaders tend to be more emotionally stable, modest, and eager to learn. One CEO at the event pointed out that a key aspect of the CEO role is projecting clarity and confidence, especially during uncertain and changing times. A CEO of a private equity-backed hospitality organisation noted, the crucial issue isn't necessarily about being humble or vulnerable, but rather about building trust. For example, he maintained a no-surprise culture by being transparent and balanced—equally sharing positive and negative news with stakeholders. Once trust is established, it fosters an environment where robust, open discussions can thrive.

Some participants felt that terms like “servant leadership” might imply weakness, which can be a barrier to their acceptance. One CEO highlighted a business mentor who, despite not being overtly vulnerable, retained humility throughout his career. This balance of personal humility and professional will, as noted by Jim Collins in “Good to Great,” is seen as essential for delivering superior results. These leaders are ambitious for their companies, not just for personal gain, which is a trait that research has linked to exceptional performance.

Workplace engagement is another critical factor in this discussion. Surveys indicate that up to 70% of employees are “not engaged” or “actively disengaged” at work, leading to reduced productivity. Dr Robert Hogan of Hogan Assessments asserts that humility in leadership minimises status differences and encourages listening to subordinates, soliciting input, admitting mistakes, and is willing to change course if necessary. These behaviours are particularly vital during times of transformation and change. When leaders exhibit humility, teams often perform better, share credit, and take greater pride in their work. In contrast, “tough” leaders might improve performance but can also increase stress and turnover rates.



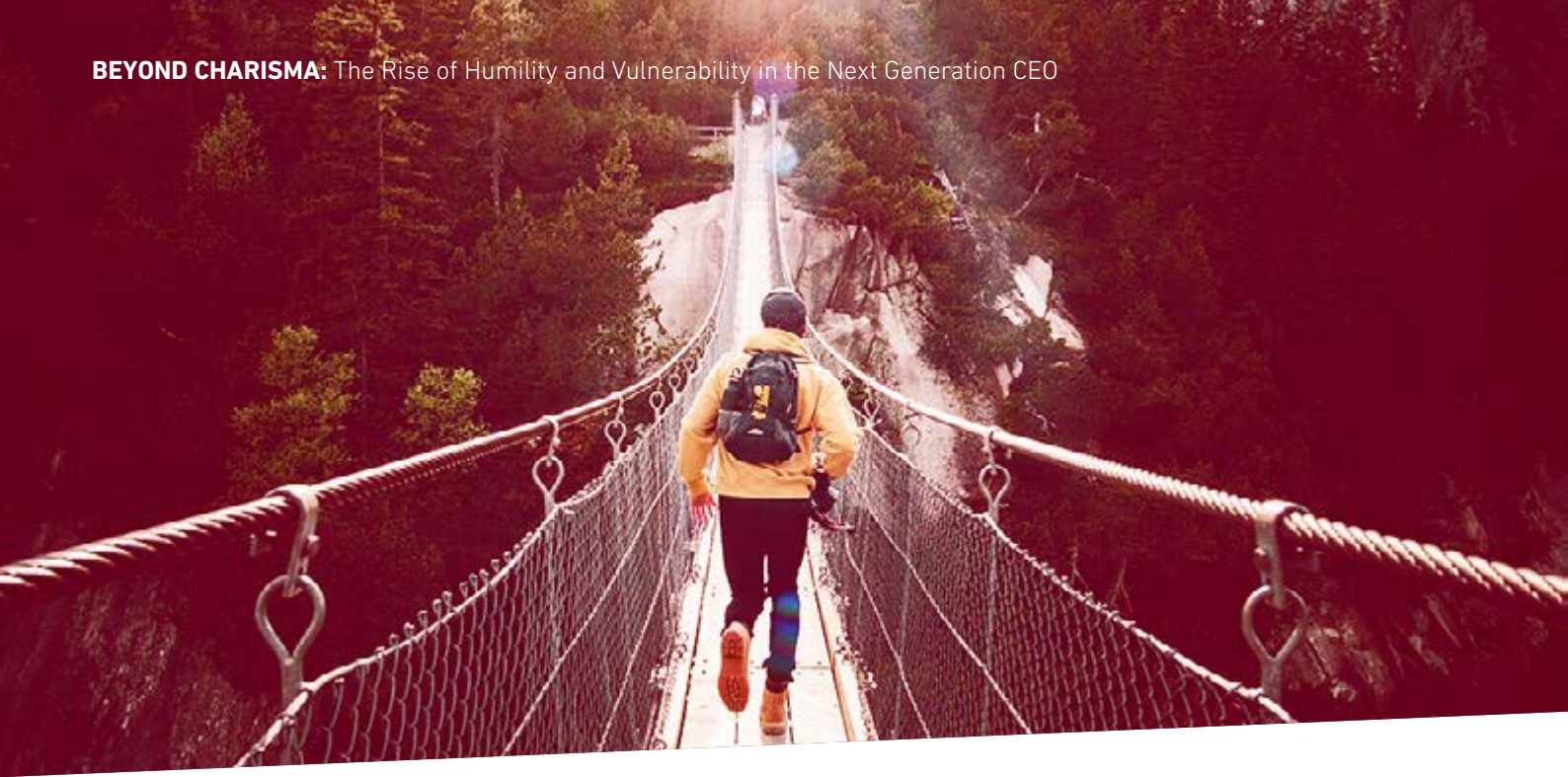
Positive social interactions at work significantly boost employee health, and many employees value happiness over higher pay. Humble leaders who listen to feedback and acknowledge their mistakes foster a collaborative and adaptive environment. Research shows that such CEOs are associated with greater leadership team integration, collaboration, and strategic flexibility.

A serial Chairman of Plc and PE-backed organisations described two very different CEOs he had worked with, who had very different leadership styles but who in his opinion were both excellent leaders. His view was that this shouldn't be an "either/or" question. One of his CEOs had a reputation for being very tough, forthright, demanding and very much into the detail, while the other was very upbeat, engaging and people focused. The similarity was that both gave clarity over their expectations, and the held people to account, so their teams understood what was needed from them, with clear timescales and measures in place.

The Operating Partner of a large private equity firm outlined how they had recently changed CEO in one of their hospitality investments and he commented that the business needed a different CEO during covid, someone who was great with the frontline and could give provide guidance in an uncertain time, and then it arguably needed a different type of CEO as it accelerated away from covid, that could drive performance harder. The job of CEO is still ultimately all about performance, so if you can't deliver performance, the style you employ is incidental. In his view, as society becomes more cognisant and empathetic to things like mental health, then usually CEOs follow-suit by osmosis and it simply becomes good business practice. While traditional leadership models emphasised firmness and distance, a shift towards more empathetic, collaborative styles has emerged. This shift is partly generational, as younger employees expect leaders to be more approachable and authentic. It also responds to the complex, rapidly changing environment where adaptability and emotional intelligence are crucial.

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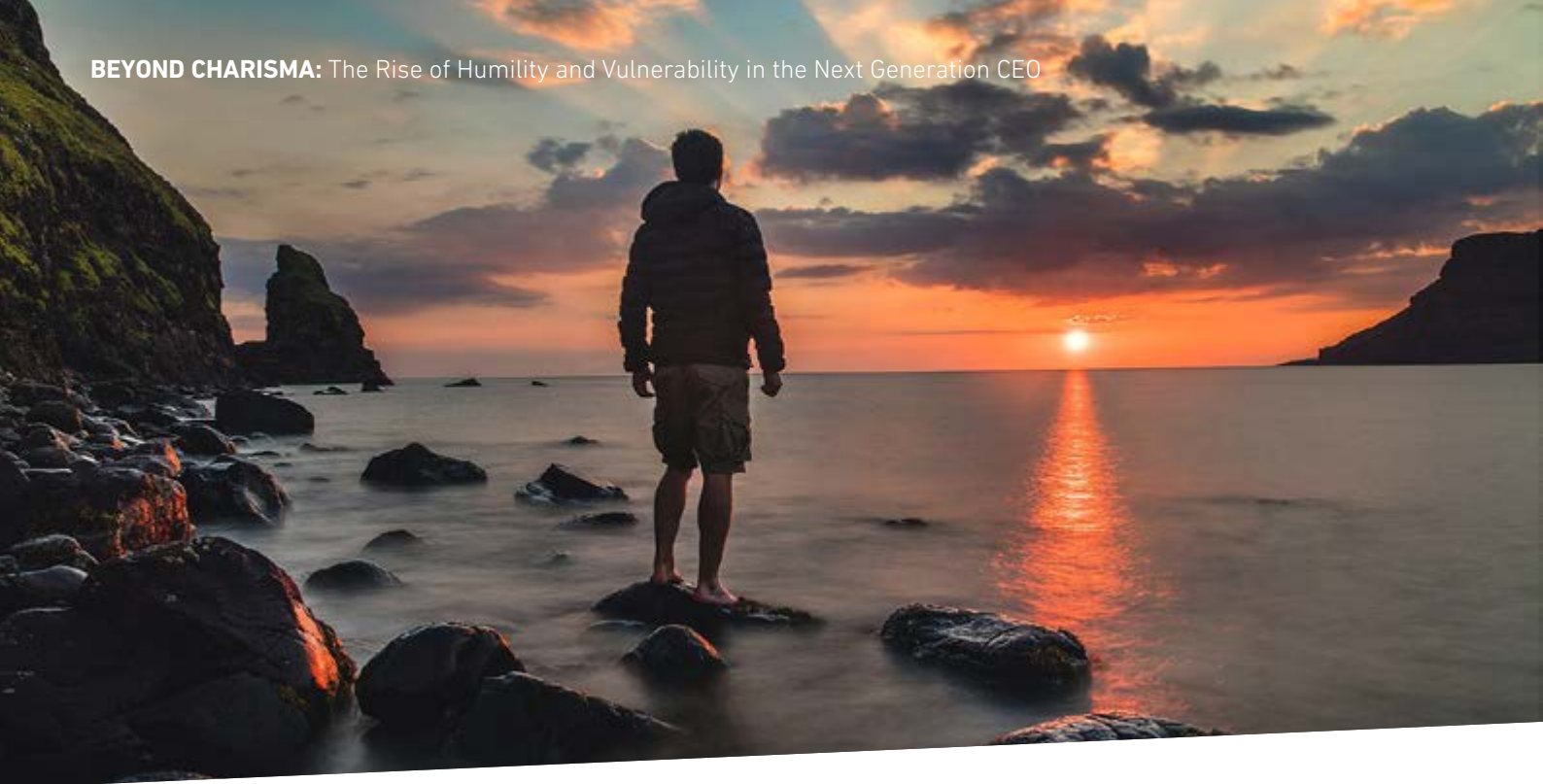


Conversely, another CEO described a former leader who believed he had all the answers, which stifled engagement and hindered senior leadership interaction. Even if a CEO has all the answers, inviting debate and valuing diverse opinions is crucial for robust decision-making. The Chairman of a private equity-backed travel organisation emphasised the importance of a CEO who encourages open dialogue and warned against dominant leaders who refuse to listen. He carefully selects boards that value dynamic interactions and has walked away from those that do not.

The discussion also touched on the importance of choosing the right audience for displaying humility or vulnerability. While being humble or vulnerable can galvanise a senior team, it might not be appropriate with shareholders or owners.

The Executive Chairman of a successful PE-backed business discussed the difference between two former CEOs he had served under. One who was very much into the detail and wanted to be involved in all decisions, and one who was all about culture, vision and people. Both ran the organisation at different times and both were very successful at different stages of the company's evolution and growth. You therefore take the best from both and use it to good effect on your own journey as CEO. There isn't necessarily a good or a bad way, just different ways of trying to be the best CEO you can be.

Modern leadership theory suggests that the best leaders combine traditional strengths with soft skills like empathy and self-awareness. The rise of leaders like Satya Nadella ex CEO and now Chairman of Microsoft, who balances humility with confidence, contrasts with the autocratic style of past icons like Steve Jobs. While Jobs was undeniably successful, his approach may no longer be as effective or desirable in today's context.



Blackstone, the world's largest private equity firm, exemplifies this shift. Traditionally, PE firms sought CEOs with hard skills and a record of results. Courtney della Cava, who oversees talent for Blackstone's portfolio companies, recently talked about how an emphasis on experience and results with little regard for how they were achieved has given way to a hunger for qualities like empathy, humility and self-awareness. "We're realizing that success and failure hinge primarily on these skills. The hard truth is, there is nothing soft about soft skills."

This trend accelerated during the pandemic, which highlighted the importance of leaders connecting with employees on an emotional level. Leaders who can acknowledge their vulnerabilities and adapt their leadership style to different situations are better equipped to navigate the complexities of today's business environment. Self-awareness, the ability to reflect on one's actions and listen to diverse perspectives, is becoming a hallmark of effective leadership.

In conclusion, while there is no one-size-fits-all approach to leadership, a balanced, adaptable style that incorporates humility and vulnerability alongside traditional strengths is likely to be most effective. This approach not only builds trust and engagement but also drives superior performance. As society and business environments continue to evolve, the NextGen leaders who succeed will be those who can blend these traits to meet the demands of their roles and inspire their teams.

A **BALANCED, ADAPTABLE** STYLE THAT INCORPORATES **HUMILITY** AND **VULNERABILITY** ALONGSIDE TRADITIONAL STRENGTHS IS LIKELY TO BE MOST EFFECTIVE

PRIMARY CONTACT



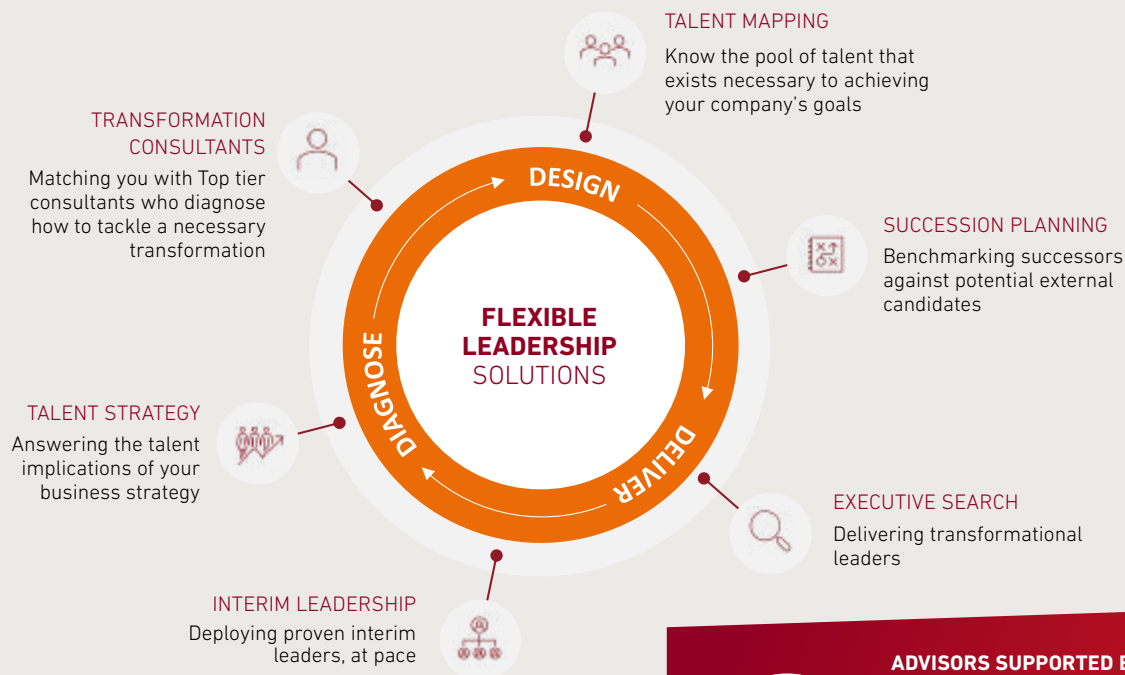
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A Consumer specialist, Tim has extensive experience working globally with brands across many subsectors such as Leisure, Travel, Hospitality, Gaming, Omni-Channel Retail and Consumer Goods - advising global organisations on a wide range of executive resourcing, talent management and senior leadership issues. Deep functional expertise particularly around marketing, customer experience, digital, commercial, through to general management/operations and legal, compliance and regulatory affairs.

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